Why has RID pursued its own response action?

- RID could lose control over its well field/operations
- If RID did not pursue its own response action,
  - EPA would pursue separate OU-3 remedy (and still may)
  - EPA could pursue separate OU-4 remedy (and still may)
  - ADEQ could pursue separate WVBA remedy
  - ADEQ could pursue separate WCP remedies

RID's Two-Phase Remedy

Cost-Effective Response Action

- Provides a single, comprehensive and effective regional pump and treat remedy that maximizes existing RID infrastructure
- Restores ~ 40,000 gallons per minute of impacted water supply
  - Drinking water use (Phase 1) ~ 20,000 gpm
  - Continued irrigation use (Phase 2) ~ 20,000 gpm

Phase 1 - Drinking Water End Use (Early Response Action)

- **Phase 1A** – continuous pumping of impacted RID wells along the Salt Canal (up to 20,000 gpm) and treat using liquid phase GAC for drinking water supply
- **Phase 1B** – pipe and continuously pump most highly impacted RID wells to Salt Canal and treat using liquid phase GAC for drinking water supply

Phase 1 Preliminary Cost Estimates

- Capital Costs . . . . . $30 - $35M
- Annual O&M Costs . . . . . $4 - $5M
- 30-Year NPV O&M Costs . . . $75 - $95M

(30 year NPV @ 6% discount)

Phase 2 Objectives

- Protect human health and the environment by reducing exposure to VOCs in groundwater
- Mitigate transfer of VOCs from contaminated groundwater to air
- Remove lower VOC concentrations at lesser expense for continued irrigation use
- Restore all RID wells/capacity
- Restore groundwater quality

Phase 2 Preliminary Cost Estimates

- Capital Costs . . . . . $10 - $15M
- Annual O&M Costs . . . . . $0.5 - $1.5M
- 30-Year NPV O&M Costs . . . $10 - $30M

(30 year NPV @ 6% discount)

Note: Phase 2 remedial actions will be evaluated and selected through Feasibility Study and Proposed Plan

RID Final Regional Remedy

- Significantly less costly than multiple separate P&T systems
- Does not require costly liquid phase GAC treatment for treated waters that will be used for continued irrigation for the reasonable foreseeable future (unlike OU2)
- Removes substantially greater VOC mass than existing P&T systems

Finality of Liability Under Creative Settlement

- Consent decree with RID, ADEQ and End Users
- PRPs pay only agreed settlement amount (no O&M)
- Liability release from RID
- Covenant not to sue/contribution protection from ADEQ

Unique Opportunity for Early and Final Settlement

- WVBA WQARF Site RI completed:
  - Plume characterized
  - PRPs identified
- Effective regional remedy in place
  - 20+ years of demonstrated "containment"
- Need funding/legal obligation to:
  - Optimize existing water extraction/conveyance infrastructure
  - Construct necessary treatment facility(ies)
  - Operate and maintain treatment facility(ies)
- Can reasonably estimate remediation costs now for early and final settlement

Cost Benefit of Creative Settlement

- **Cost Benefit:** Capital (final remedy) $40 - $50M
- **Pipeline** (to Goodyear – Buckeye) + $20 - $35M

  $60 - $85M

- **Potential 30-Year NPV Savings:** $65 - $110M

Creative Settlement Option

- In addition to funding capital costs, settling PRPs agree to fund installation of a delivery pipeline adjacent to the RID main canal to convey treated groundwater to West Valley communities
- Treated water provides water supply to West Valley
- End users of this water pay treatment O&M costs (instead of PRPs)

Traditional Settlement Option

- RID will settle with PRPs who enter into a consent decree with RID and ADEQ to fund RID/ADEQ response costs including:
  - Capital costs - $40 - $50M for necessary upgrades to existing RID infrastructure and design/construction of new treatment facility (ies)
  - Legal obligation – Fund annual O&M ($4.5 - $6.5M)
    - $85 - $125M (30-year NPV O&M @ 6% discount)
  - Total capital and O&M costs $125 - $175M (30-year NPV)

RID Cost Recovery Options

- RID is prepared to implement this two-phase regional remedy and pursue cost recovery litigation on a joint and several liability basis against all identified PRPs
- However . . . RID's preferred option is to settle with PRPs